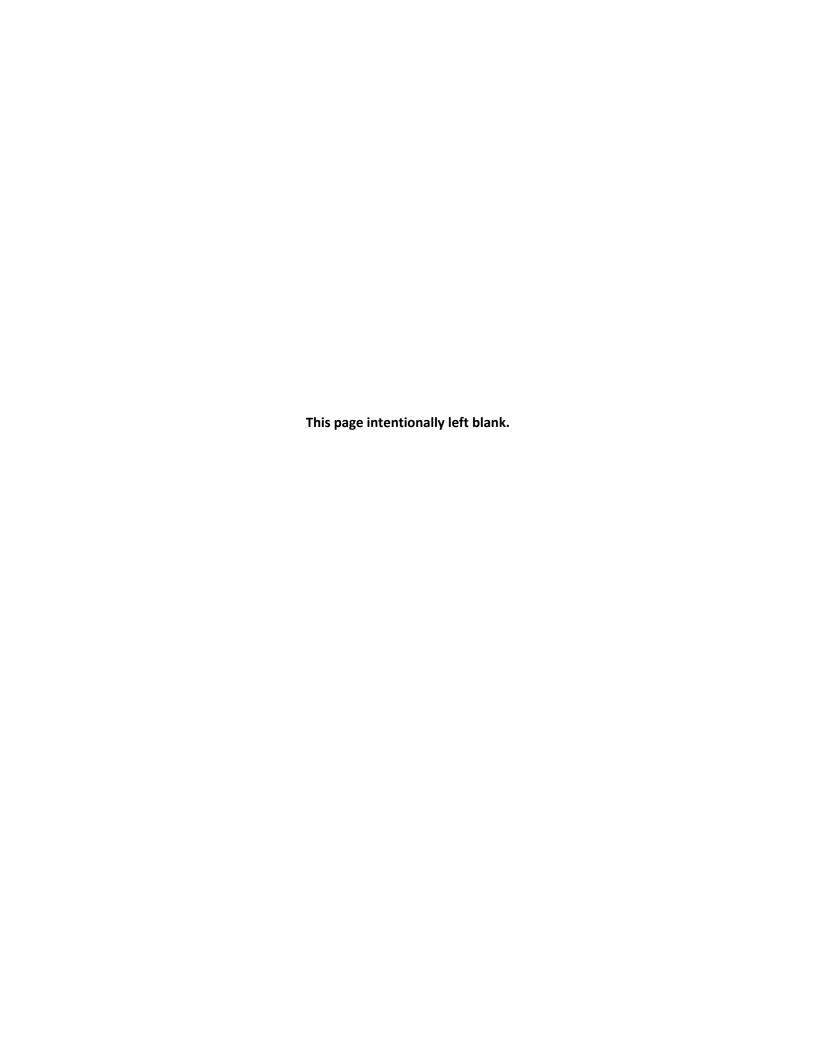


BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

Table of Contents

	Page
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Statement of Net Position	10
Statement of Activities	11
Balance Sheet – Governmental Funds	12
Reconciliation of Fund Balances for Governmental Funds	
to Net Position of Governmental Activities	15
Statement of Revenues, Expenditures and	
Changes in Fund Balances – Governmental Funds	16
Reconciliation of Net Changes in Fund Balances of Governmental Funds	
to Change in Net Position of Governmental Activities	19
Statement of Revenues, Expenditures and Changes	
in Fund Balance – Budget and Actual – General Fund	20
Notes to Financial Statements	21
Supplementary Information	
Continuing Bond Disclosures	32
Independent Auditors' Report on Internal Control Over Financial Reporting and	
on Compliance and Other Matters Based on an Audit of Financial Statements	
Performed in Accordance with Government Auditing Standards	37



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.